

per DOI 70-17

Chief, FR
 Chief, WG: Chief C
 Chief, Bonn Ops Room: Chief, CSB/Frankfurt
 Chief, Munich Liaison Room
 KAPOK/DIZTAG/CATIDE/C
 Hans SCHOEEL C

RID: PLEASE SEE PARAGRAPH 1c

REFERENCE: A. 4651, April 1965
 B. MUNI 2630, April 1965

Synopsis: The CATIDE "Peppercorn" case has been successfully brought to a close, resulting in a Czech Intelligence Officer, Josef LENSKY (), being declared Persona non Grata by the Danish Government. CATIDE is in the process of terminating their D/A, Hans SCHOEEL (). O KASTELL has admitted that they were suspicious of the CATIDE handling officer but their investigation leads them to believe he is clean, at least as far as SCHOEEL is concerned. CATIDE has provided an interim summary of the case and hopes to provide us with a complete analysis when finished. Details as known to MLB are provided in this dispatch.

1. CATIDE Summary of the Case:

"a) Hans SCHOEEL was recruited by the Czech Intelligence Service (CIS) through his sister, Erika KOTLAROVA, widowed KOESTER, nee SCHOEEL in October 1958. She was at that time a Czech citizen and lived until 29 December 1962 in Brannay, Kreis Bilina, CSSR. She is now located in Dresden A 21, Glasewalderstrasse 42/I, East Germany. SCHOEEL had three meetings with the CIS before he reported to the LfV Hamburg. In April 1959 the case was turned over to CATIDE. Since 7 November 1961 the CIS has handled SCHOEEL through personal meetings, agent radio and secret writing. He was given two accommodation addresses in the CSSR. Under CIS orders personal contact between SCHOEEL and his sister was cut off.

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Group I
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(b) Up to 28 April 1965, CATHIE was able to identify eleven CTS agent handlers and support personnel; ten of them have been identified in true name. These individuals and the positions they held during the time they were involved with SCHOEHL are as follows:

"(1) Personality Investigations: SCHOEHL was asked to report background information on eighty-nine individuals, among them two CATIDE staffers. He had the general task of reporting all he knew about members of the Hamburg LFV.

"(2) Military: SCHOEHL was given five tasks in the military field. His targets included PALLEY 62, military activity in the Buxtehude area; the Border Police, Bundeswehr training, and he was also asked to provide samples of forms used by the Bundeswehr.

"(3) Political: SCHOEHL was given three general tasks to report on political parties, the labor unions and HIAQ (Organization of former Waffen SS members).

"(4) Economic: SCHOEHL was asked to report on North German firms located in Hamburg, Juelich and Geesthacht, especially those involved in transportation, supply and atom energy.

"(c) From October 1958 until April 1965 CATHIE was able to identify eleven CTS agent handlers and support personnel; ten of them have been identified in true name. These individuals and the positions they held during the time they were involved with SCHOEHL are as follows:

(1) Jaroslav ANTOV [] Third Secretary of the CCSR Embassy in East Berlin. He had previously in July 1958 been detained pursuant to orders by the Berlin Government.

(2) Jozef HOCIMALEK [] Employee of the CCSR Culture House in East Berlin.

(3) Karel HAZEK [] Employee of the CCSR Embassy in East Berlin.

(4) Alisa PAVLA (true name not known): Met with SCHOEHL in Vienna.

(5) Vladav BUDSKY [] Attaché in the CCSR Embassy in Bern, Switzerland.

(6) Stanislav ZUBENKO [] Employee of the CCSR Legation in Vienna (acted as a counter-surveillance).

(7) Blavoj PROBS [] Third Secretary of the CCSR Legation in Vienna (acted as a counter-surveillance).

(8) Zdenka PROBSOVA: Employee of the CCSR Legation in Vienna (acted as a counter-surveillance with her husband, Blavoj PROBS).

(9) Josef HASKY [] Third Secretary of the CCSR Legation in Copenhagen (acted as mail room and CTS handling officer).

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Trial	Control	MCI	AD
1	85	75	65
2	88	78	68
3	90	80	70
4	92	82	72
5	95	85	75

It is also to be noted that the above information is for the entire of the District in the United States and is not necessarily representative of the entire country.

7. 1972-1973 1973-1974 1974-1975 1975-1976 1976-1977

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4) KASTELL believes that SCHORREL was a regular reporting agent. They were taken from the established. As to SCHORREL, KASTELL suspected that he might well have been playing off both services on behalf of a "Schwartz Kapelle". KASTELL said SCHORREL was an old SS man and that many of the individuals he checked out for the CIS were former SS men. (This brings to mind C-1 information on the RIS-penetrated secret Nazi organization, "KROCK".) KASTELL suspects, however, that UDEGANSY knew of the case and believes it possible the Soviets may have decided not to tell the Czechs for some mysterious reason of their own. He mentioned UDEGANSY's SS background in this connection. Finally KASTELL feels that the CATIDE case officers are clean, at least as far as this case is concerned. He has promised to provide us with a complete wrap-up on the case when it is completed.

3. Highlights of CATIDE/MLB Discussions of the Case (early phase):

a) CATIDE began discussing this case with MLB on 10 February 1960 and on 31 March 1960 identified the D/A as SCHORREL.

b) On 24 May 1960 KUTZBACH stated that a graphological analysis of SCHORREL's handwriting showed him to be completely untrustworthy.

c) On 31 March 1960 KUTZBACH also identified the CATIDE case officer handling SCHORREL as V-1204; our records indicate V-1204 is Gerhard BARTKE. See paragraph 6 b below.

d) On 11 August 1960 KUTZBACH stated that SCHORREL's case officer, who was considered by CATIDE to be a competent man, did not trust SCHORREL but that no attempt had yet been made to test SCHORREL.

e) On 1 September 1960 KUTZBACH said little progress was being made in the case and that the CIS appeared to be withdrawing. He admitted, however, that CATIDE was providing the agent with deception material.

f) On 12 October 1960 KUTZBACH said that CATIDE was convinced that the agent was dishonest. CATIDE had run a surveillance on SCHORREL in January and SCHORREL had made a mysterious visit to a restaurant. When asked about it, SCHORREL denied he had ever been there. KUTZBACH was concerned because SCHORREL apparently had no way to get in touch with the CIS. It was also at that time that KUTZBACH said that they hoped they could get SCHORREL to arrange to meet his Czech case officer in Prague.

g) In March 1961 it was reported that CATIDE had surveilled a meeting between SCHORREL and a Czech case officer (a new one) in Zurich, Switzerland, and that they had been able to determine that SCHORREL was providing information.

h) On 22 June 1961 Headquarters wrote (Rif-10875) that their review of the case made them doubt SCHORREL's sincerity and also CATIDE.

i) SCHORREL visited East Berlin on 17/18 June 1961 where he received training in radio and SA and received a new cover name. He was given a new Prague address as an accommodation address to use instead of that of his sister (Mrs. Gwent). This last item was reported by CATIDE completely straight-faced as far as we can determine from the file. Although they knew all along he had a sister in Prague whom they strongly believed to be a CIS agent and although they also knew he was in contact with her, it apparently never occurred to CATIDE that she was his accommodation address. See subparagraph (2) above.

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He had no new-found friend
be (customer) and Dr. Spill was
have noted that Spill's name
Berlin after the war was over.

24) On 8 February 1968, WITKAMP changed his position statement and said he thought there was a 50% chance WITKAMP had not learned in the SCHOKEL case.

1) In 1948 and 1950 SCHUBNER began to have his meetings in Vienna. The last we had heard from SCHUBNER (late 1954) was that future meetings would take place in "some northern country".

m) From 1961 to 1964 SCHOBEL was shown photographs of various CIA officers whom he had very good reason to believe were involved in the SCHOBEL case but in most instances he failed to come up with a positive identification.

n) CANTIDE was on record as late as July 1964 that they were still in touch with SCHOEEREL.

4. CATIDE/MB Discussions of the Case (closeout phase)

In September 1964 CATIDE asked for the use of a KUBARK audio listening transmitter device to be used to monitor a meeting of a CATIDE D/A with his opposition case officer. Although CATIDE was apprehensive initially, we recently in hiding the true facts of the case from MIE. [] through the [], learned that the meetings took place in Copenhagen and that the opposition case officer was Josef LEASKY [] a Czech Intelligence Officer assigned to the Czech Embassy in Copenhagen. It also appeared from information passed by one CATIDE staffer to [] that the case had URANDOC aspects since the real suspect was allegedly the CATIDE case officer who handled the D/A being watched. It was the possible URANDOC aspects of the case that were of greatest interest to us as is attested by the previous activity on the case. As the case continued more and more facts came out here in London and Copenhagen until CATIDE finally decided to discuss the case with us in a completely open manner.

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14 Who was the highest ranking officer that was in the hospital?

1) We had invited PETERSEN to attend a movie and to bring his subordinates on 15 October 1964. Only KASTELL and DOBLINGER were able to make it and we were informed that PETERSEN, KUTZBACH, and G. Dr. MARSTZ were out of town on a dry run with the audio device. It is possible that G. SCHIRLING, the CATIDE technician who was briefed on the equipment by () of () on 22 September 1964, was also in Copenhagen. It was presumably at that time that one of the CATIDE staffers drank too much and talked too much. At this point KUTZBACH appears to be the most likely candidate because he has full background knowledge on the case (34 meetings, etc.) and has been in liaison with us (on this and other CE cases) longer than any of the others; he, therefore, was more likely to be aware of our having informed CATIDE about one of their own officers.

b) In view of what we have now learned about the case we are quite at a loss as to why the drunken CATIDE staffer told the story he did. () There was nothing in our files prior to the receipt of () 12006 to indicate that the CATIDE case officer handling SCHORREK was ever considered a security risk by either CATIDE or KLBARK. In this connection we found a contradiction as to who SCHORREK's CATIDE case officer actually is. According to the SCHORREK file the case officer was V 1200 who in Gerhard BARRON () BARRON lives in Limburg and came out of CATIDE's Dienststelle II but his activity in the past has always been connected with positive operations directed against the Soviet zone. In digging through the Dienststelle II file we learned that in 1961 SCHORREK was run by Dienststelle II and that his case officer was O HERMANN. We have a career reference to an O HERMANN who is believed to be working in Limburg for Dienststelle II. In 1951 he was described as being born about 1918, round face, dark at right temple, dark blond hair, 5'8" tall, 170 lbs., stocky figure, wore glasses. There was no V number listed. We checked every O HERMANN for whom we could find a V number but none of them fit the description of the case in the career reference. A information that the CATIDE case officer might have been identical to, mentioned by SCHORREK, possibly on the basis that they were both German SS officers, would tend to eliminate BARRON as the CATIDE staffer under suspicion. Our files indicate that he was active in the SS related organizations. It could very well have been HERMANN but we know very little about him. We will try to see how the CATIDE staffer would have come drinking or dancing or dithering about the night () about HERMANN's service.

in view of the evidence to date we can construct another theory for the story told in the Greenbrier chapter of the Schindler-Kutzbach case. Indeed KUTZBACH is almost certain that it was in a conversation with SCHINDLER in the latter part of 1944 and early 1945 that he may have wished to embellish a story that really was not so bad. He said and made up a story that was basically correct but had much to do with the fact that SCHINDLER said there is no evidence that SCHINDLER ever had anything to do with the case, but a SCHINDLER did especially in regard to the decoration material given to the agent. It should be noted that there was no love lost between KUTZBACH and SCHINDLER. That the former might not be adverse to telling a derogatory story about

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It was when this request was made that the subject of the case was able to provide information () say he able to provide.

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